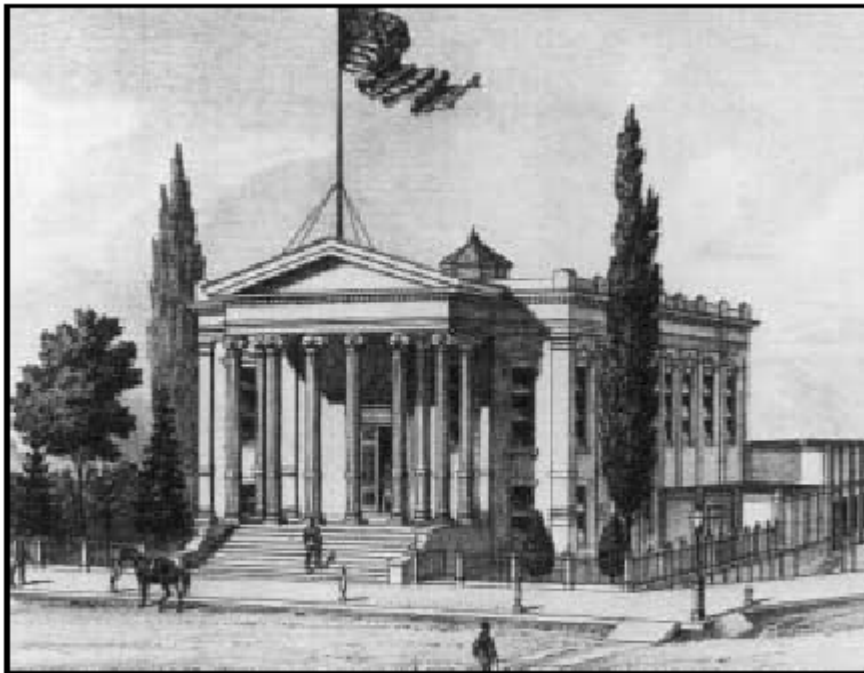


## 2004 LEGISLATIVE SUMMARY



Second Capitol at Sacramento—1855–69

## COMMITTEE REPORT

January 2005  
CEC-160-2005-001



Arnold Schwarzenegger, *Governor*

# **CALIFORNIA ENERGY COMMISSION**

## **Legislative and Intergovernmental Affairs Committee**

William J. Keese  
**Presiding Member**

Jackalyne Pfannenstiel  
**Associate Member**

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**Legislative Analyst,  
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**Legislative Secretary,  
Governmental Affairs**

## **Disclaimer**

This document is intended for Energy Commission use only and is not for public distribution. Summaries of 2004 chaptered and vetoed energy-related bills can be found on the Energy Commission's website at [http://energynet/Exec/OGA/OGA\\_072402.html](http://energynet/Exec/OGA/OGA_072402.html), or at <http://www.leginfo.ca.gov/bilinfo.html>.

## **Preface**

The *2004 Legislative Summary* is intended as a tool to easily access information on 2004 energy-related bills. It provides information on bills that were chaptered or vetoed in 2004, the second year of the 2003-04 legislative session. During this session, the Governor acted on 1270 bills; he signed 959 and vetoed 311.

The report is divided into two parts: Energy Commission-related bills, which are chaptered or vetoed bills that have a direct impact on the Energy Commission; general energy bills, which are chaptered or vetoed bills that do not directly impact Energy Commission programs but may be of interest or concern. Each section contains a Summary Table, followed by a Bill Abstract for each listed bill which summarizes the bill and its impacts.

## **Acknowledgements**

The Office of Governmental Affairs would like to acknowledge the contributions of all of those individual who have participated in the development of this year's bill analyses. We are especially grateful for the work of the Legislative Coordinators in each division who assist us by tracking bills being analyzed by their divisions, coordinating policy committee scheduling and being a reliable and important link in the Energy Commission's legislative process.

The Legislative Coordinators are:

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# 2004 LEGISLATIVE SUMMARY

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# ENERGY COMMISSION-RELATED BILLS

## 2004 Chaptered Legislation

Bill Number	Subject
AB 135 (Reyes) Chapter 867, Statutes of 2004	Renewable Energy Resources: Solar Energy Systems Funding
AB 502 (Canciamilla) Chapter 439, Statutes of 2004	Permit Streamlining Act: Natural Gas Projects
AB 594 (Leno) Chapter 790, Statutes of 2004	Private Energy Producers: Hetch Hetchy Water and Power Solar Generation
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AB 2304 (Richman) Chapter 781, Statutes of 2004	Energy Resources: Report Consolidation
AB 2473 (Wolk) Chapter 789, Statutes of 2004	Solar Energy Systems: Local Regulations
AB 2628 (Pavley) Chapter 725, Statutes of 2004	Vehicles: Preferential Lanes for Hybrid Electric Vehicles
SB 926 (Knight) Chapter 907, Statutes of 2004	Economic Development
SB 1107 (Senate Budget and Fiscal Review Committee) Chapter 230, Statutes of 2004	Committee on Budget and Fiscal Review: Global Climate Change
SB 1565 (Bowen) Chapter 692, Statutes of 2004	Energy Commission: Strategic Statewide Transmission Plan
SB 1776 (Bowen) Chapter 245, Statutes of 2004	Electrical Energy: Thermal Powerplants 6 Month Siting Process
SB 1891 (Senate Energy, Utilities and Communications Committee) Chapter 694, Statutes of 2004	Public Utilities: Metering of Multiunit Residences: Gas Fireplaces and Renewable Energy

## **2004 Chaptered Legislation**

### **Bill Abstracts**

<b>AB 135 (Reyes), Chapter 867, Statutes of 2004 - Renewable Energy Resources: Solar Energy Systems Funding</b>
---

**Effective:** Urgency, effective September 30, 2004

**Appropriation:** None

**Summary:** Authorizes the Energy Commission to spend forward \$60 million allocated to the Emerging Renewable Account of the Renewable Resources Trust Fund for a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission as AB 135 augments funding for a program that is already in progress and was planned to operate at least through 2006.

**Energy Commission Responsibilities:** This bill authorizes the Energy Commission to borrow up to \$60 million against future Public Goods Charge receipts to pay for Emerging Renewable Program expenditures through 2008 and requires the Energy Commission to repay the forward spending to the accounts from which it is borrowed. Renewable energy staff estimate that this provision would allow the Energy Commission to continue the program for about 9 months to one year.

**Sections Affected:** Public Resources Code – Amends § 25744

**Governor’s Signing Message Follows**



## Governor’s Signing Message

To the Members of the California State Assembly:

I am signing Assembly Bill 135, which accelerates bridge funding for solar energy rebates in California.

Consistent with my commitment to significantly increase the amount of renewable energy consumed in California, I have released an aggressive plan to create 1 million solar systems. This comprehensive plan includes financial incentives to assist homeowners in absorbing the up front costs of installing solar, energy pricing reform to increase incentives for conservation and ensure real time pricing reflects actual costs, commitments to work with allied industries such as homebuilders and building inspectors to seamlessly adopt uniform building codes. The plan builds on existing successful programs at the state and local level to ensure the benefits of solar are available to all Californians.

California’s warm and sunny climate makes it one of the best places on earth to use solar energy. Solar energy is generated precisely when and where Californians need it, at peak hours on the buildings that consume it. The on-site, on-demand nature of solar power translates into increased energy system reliability. In addition, every megawatt of energy Californians procure from renewable resources like the sun reduces our dependence on other sources. A diversified energy portfolio is a more secure energy portfolio.

Assembly Bill 135 is the first step on this important journey and will help lead toward energy security, reliability and independence for California. I look forward to working with the California Public Utilities Commission and the legislature to assist in implementing my “Million Solar System Initiative.”

Sincerely,

Arnold Schwarzenegger

**AB 502 (Canciamilla), Chapter 439, Statutes of 2004 – Permit Streamlining Act: Natural Gas Projects**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Authorizes the lead agency, for a natural gas exploration or development project, to enter into an agreement with the project applicant to expedite the project permitting process. Allows the lead agency to charge the applicant a fee to cover the costs of expediting the permit.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code – Adds § 65950.5

**AB 594 (Leno), Chapter 790, Statutes of 2004 – Private Energy Producers: Hetch Hetchy Water and Power Solar Generation**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Authorizes the City and County of San Francisco, to designate photovoltaic generation facilities as Hetch Hetchy Water and Power (HHWP) solar generation facilities up to 5 MW, if certain conditions are met. Requires the Pacific Gas and Electric Company (PG&E) to credit the City and County of San Francisco for surplus solar electricity generated and delivered to the electric grid by HHWP, at time-of-use rates approved by the California Public Utilities Commission (PUC) under a defined net metering arrangement.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Adds § 2828

<b>AB 1684 (Leno), Chapter 675, Statutes of 2004 – Distributed Generation Resources</b>
---

**Effective:** Urgency, effective September 22, 2004

**Appropriation:** None

**Summary:** Allows combustion-operated distributed generation technologies that operate solely on natural gas that is not eligible for delivery to the utility pipeline system to qualify for incentives under the SGIP. The California Public Utilities Commission (PUC), in consultation with the Energy Commission, administers a Self-Generation Incentive Program (SGIP) that provides differential rebates to qualified distributed generation technologies.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Amends § 379.6

<b>AB 2304 (Richman), Chapter 781, Statutes of 2004 – Energy Resources: Report Consolidation</b>
--

**Effective:** Urgency, effective September 25, 2004

**Appropriation:** None

**Summary:** Consolidates reporting requirements under the Energy Commission's Renewable Energy Program and deletes unnecessary reporting of methyl tertiary-butyl ether (MTBE) used for gasoline blending. Repeals obsolete statutes relating to the Clean Fuels Account.

**Energy Commission Fiscal Impact:** This bill results in reduced administrative expenses, thus freeing up staff for other tasks. Administrative costs are funded by the Renewable Resources Trust Account and the Energy Resources Program Account.

**Energy Commission Responsibilities:** Requires the Energy Commission to consolidate the Renewable Energy Program status reports to the Legislature into one annual report, as specified in the bill, to discontinue reporting on the MTBE content in gasoline.

**Sections Affected:** Health and Safety Code - Repeals § 43024. Public Resources Code - Amends § 25748 and 25751, and repeals Chapter 7.2 (commencing with § 25625) of Division 15.

**AB 2473 (Wolk), Chapter 789, Statutes of 2004 – Solar Energy Systems: Local Regulations**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Redefines the term “reasonable restrictions” for solar energy systems as applied in specified real property documents. Repeals the current law that allows local governments to impose “reasonable restrictions” on solar energy systems and only allows the denial of a permit for a solar system, if the system would have an adverse impact on public health and safety.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Civil Code - Amends § 714. Government Code - Repeals and adds § 65850.5. Health and Safety Code - Repeals and adds § 17959.1.

**AB 2628 (Pavley) Chapter 725, Statutes of 2004 – Vehicles: Preferential Lanes for Hybrid Electric Vehicles**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Allows a hybrid electric or alternative fuel vehicle that meets the advanced technology partial zero-emission (AT PZEV) standard and has a 45-mile or greater fuel economy or a hybrid vehicle that was produced in 2004 or earlier that met the ultra low emission (ULEV), super ultra low-emission (SULEV), or partial zero-emission (PZEV) standard and has a 45-mile or greater fuel economy to access High Occupancy Vehicle (HOV) lanes with only one passenger, if a federal waiver to allow these new provisions is granted. (See AJR 74, page 43.)

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Vehicle Code - Amends § 5205.5 and 21655.9

<b>SB 926 (Knight), Chapter 907, Statutes of 2004 – Economic Development</b>
--

**Effective:** Urgency, effective September 30, 2004

**Appropriation:** None

**Summary:** Consolidates all military base retention and conversion programs under a single office within state government, changes the Office of Military Base Retention to the Office of Military and Aerospace Support (OMAS), directs the office to solicit grants and private donations to fund retention activities, encourages local governments to work together to retain military bases, and, allows local governments, in partnership with a local military base to request funding from the California Infrastructure bank.

**Energy Commission Fiscal Impact:** Minor if the Energy Commission participates in the Military Advisory Committee (MAC).

**Energy Commission Responsibilities:** This bill only affects the Energy Commission in that the OMAS may invite the Chairman of the Energy Commission to be a member of the MAC and that membership would be voluntary. The Energy Commission has participated in the Defense Retention Conversion Council (DRCC) activities that coordinated federal grant applications at one time.

**Sections Affected:** Public Utilities Code - Amends § 352 and 372, adds § 345.3, repeals § 350, repeals Article 4 (commencing with Section 355) and Article 5 (commencing with Section 359), and repeals and adds Article 2 (commencing with Section 334) of Chapter 2.3 of Part 1.

**SB 1107 (Senate Budget and Fiscal Review Committee), Chapter 230,  
Statutes of 2004 – Committee on Budget and Fiscal Review: Climate Change**

**Effective:** Urgency, effective August 16, 2004.

**Appropriation:** None to the Energy Commission.

**Summary:** This bill is one of a series of budget trailer bills that make various changes in the areas of natural resources and environmental protection, and provides support for other related departments. Specific to the Energy Commission, this bill contains a provision that requires the Secretary for the California Environmental Protection Agency (CalEPA) to coordinate the State's climate change activities

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** The Energy Commission has statutory responsibilities related to the statewide GHG emissions inventory, sharing of GHG mitigation information, the California Climate Action Registry, research & development, and information on climate change. This is an effort to provide a higher level of coordination for state climate change activities, however, there may be some resulting implementation confusion with the language in SB 1107. Public Resources Code Section 25730 (e) states that the Energy Commission shall "Convene an interagency task force consisting of state agencies with jurisdiction over matters affecting climate change to ensure policy coordination at the state level for those activities. SB 1107 gives the same "coordination" responsibility to another state entity, which states "The Secretary for Environmental Protection shall coordinate greenhouse gas emission reductions and climate-change activities in state government."

Since the predominance of climate change activities required by statute are conducted by the Energy Commission, which is part of the Resources Agency, some form of direction to the Energy Commission from the Secretary for Resources regarding communication and the conduct of these many and varied activities would assist the coordination.

**Sections Affected:** Public Resources Code - Amends § 5045, 5046, and 30940, adds Article 8 (commencing with § 5079.70) to Chapter 1.1.5 of Division 5, Chapter 3.8 (commencing with § 5750) to Division 5, Chapter 7.5 (commencing with § 5819) to Division 5 of, and Part 3.5 (commencing with § 71120) to Division 34.

**Governor's Line Item Veto Message:** This message does not affect the Energy Commission related statutes considered here and therefore is not included.

<b>SB 1565 (Bowen), Chapter 692, Statutes of 2004 – Energy Commission: Strategic Statewide Transmission Plan</b>
--

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires the Energy Commission, in consultation with the Public Utilities Commission (PUC), California Independent System Operator (CAISO), transmission owners, users, and consumers, to adopt a strategic plan (using existing resources) for California's electric transmission grid, to be included in the 2005 Integrated Energy Policy Report (IEPR).

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission because staff is currently performing transmission assessments for the IEPR, which would be the basis for the strategic transmission plan required by SB 1565.

**Energy Commission Responsibilities:** Directs the Energy Commission, in consultation, with the PUC, the CAISO, transmission owners, users, and consumers, to adopt a strategic plan using existing resources for the state's electric transmission grid to identify and implement investments needed to ensure reliability, relieve congestion, and to meet future growth in load and generation, including, but not limited to, renewable resources, energy efficiency, and other demand reduction measures. This plan shall be included in the 2005 IEPR.

**Sections Affected:** Public Resources Code – Adds § 25324.



**SB 1776 (Bowen), Chapter 245, Statutes of 2004 – Electrical Energy: Thermal Powerplants 6 Month Siting Process**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Reinstates the Energy Commission’s six-month power plant licensing process, which was established pursuant to AB 970 (Ducheny), Chapter 329, Statutes of 2000 and sunset on January 1, 2004. This reinstatement will last 2 years and sunset on January 1, 2007.

**Energy Commission Fiscal Impact:** Costs related to the Energy Commission’s six-month power plant licensing process vary from year to year based on the number of power plant applications received during that year. The Energy Commission received approximately 12 power plant applications under the six-month licensing process. (The Energy Commission’s Siting Program is funded primarily from the Energy Resources Programs Account (ERPA). In 2003, SB 1049 (Senate Budget Committee), Chapter 741, Statutes of 2003, established a filing fee for most power plant applications (power plants using renewable fuel supplies are exempt). That filing fee covers roughly 50 percent of the costs of siting new power plants under the siting program. The remaining costs of siting powerplants are funded from ERPA.)

**Energy Commission Responsibilities:** Reinstates the Energy Commission’s six-month power plant licensing process for projects that will not cause a significant impact on the environment or on the electrical system (i.e., require significant transmission upgrades). Projects that demonstrate superior environmental or efficiency performance improvement shall receive first priority in review by the Energy Commission.

**Sections Affected:** Public Resources Code – Adds and Repeals § 25550 and 25550.5.

**SB 1891 (Senate Energy, Utilities and Communications Committee),  
Chapter 694, Statutes of 2004 – Public Utilities: Metering of Multiunit Residences:  
Gas Fireplaces and Renewable Energy**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Make technical, non-controversial changes to (1) renumber a provision of the Public Utilities Code to eliminate duplicative numbering; (2) exempt decorative gas appliances from the requirement for individual metering in multi-family housing units; and (3) delete unnecessary Public Utilities and Resources Code sections related to the Energy Commission's Renewable Energy Program.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code - Amends § 25747. Public Utilities Code - Amends § 399.11, 399.12, 399.13, 399.14, 399.15, 399.16, and 780.5 and, amends and renumbers § 454.1 and, repeals § 383.5 and 445.

## ENERGY COMMISSION-RELATED BILLS

### 2004 Vetoed Legislation

Bill Number	Subject
AB 736 (Hancock)	School Facilities: Efficiency
AB 2006 (Nuñez)	Electrical Restructuring: Public Utilities Commission Procedures
AB 2311 (Jackson)	Energy Efficiency: Sustainable Buildings
AB 2593 (Calderon)	Self-Generation Incentive Program
SB 920 (Bowen)	Electricity Oversight Board: Independent System Operator: Power Exchange
SB 1478 (Sher)	Renewable Energy Credits
SB 1851 (Bowen)	State Buildings and Publicly Funded Schools: Standards

<b>AB 736 (Hancock) – School Facilities: Efficiency</b>
---

**Appropriation:** None

**Summary:** Would have required the State Allocation Board (SAB), by January 1, 2006, to adopt regulations to implement design standards for school facilities in accordance with guidelines established by the Collaborative for High Performance Schools (CHPS), and to incorporate minimum design and construction criteria developed by CHPS.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Education Code – Adds § 17077.36

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of California State Assembly:

I am returning Assembly Bill 736 without my signature.

This bill is premature, in that it places conditions on school districts' use of funding of school facilities bond measures passed after January 1, 2006. While I am very supportive of efforts to improve the environment of California's classrooms, as well as promoting energy efficiency and conservation, this policy discussion more appropriately should be considered within the context of a comprehensive environmental policy involving energy efficient housing, schools and commercial properties.

Therefore, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger

<b>AB 2006 (Nuñez) – Electrical Restructuring: Public Utilities Commission Procedures</b>
---

**Appropriation:** None

**Summary:** Would have enacted the "Reliable Electric Service Act of 2004." Specifically, this bill, among its provisions, restated the investor-owned utilities' (IOUs) obligation to serve, redefined terms for IOU cost recovery on power plant projects, and required IOUs to provide for resource adequacy as prescribed by the Public Utilities Commission (PUC). Would have required the PUC to submit a comprehensive plan and assessment to streamline transmission siting to the Governor and Legislature on or before July 1, 2005.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** In consultation with PUC and the CAISO, would have required the Energy Commission to develop a plan to streamline the transmission siting process.

**Sections Affected:** Public Utilities Code – Amends § 301 and 303, adds § 250, 303.5, 454.05, and 1001.7, adds Chapter 2.4 (commencing with § 400) to Part 1 of Division 1, § 250, 454.05, and 1001.7, and repeals § 330.

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of the California State Assembly:

I am returning Assembly Bill 2006 without my signature.

Developing a reliable cost effective energy supply for California is a top priority of my administration. To ensure investment and to develop electricity generation, California must provide for long-term resource adequacy, consistent with the State Energy Action Plan, in a manner that creates stability and predictability in wholesale markets. A transparent, competitive procurement process is essential to obtain the best possible deal for California ratepayers.

The California Public Utilities Commission (PUC) has acted on my request to accelerate resource adequacy requirements. I remain committed to meeting our future energy needs through a combination of energy efficiency, demand response, renewable energy and traditional generating resources.

This bill creates a redundant and burdensome energy procurement process that would steer the state back towards monopoly utilities without some of the consumer protections necessary to protect ratepayers. These provisions direct ratepayers to assume all the risk associated with electricity generation including cost overruns while ensuring utility profits.

Many of the provisions in this bill are unnecessary and duplicate existing statute or policy decisions that can be found in AB 57, PUC decisions, and Energy Commission proceedings. However, AB 2006 adds layers of mandates and process that favor monopoly utilities and will significantly delay ongoing proceedings at the commission, resulting in considerable delay in power plant construction.

I commend the author for including sections that address transmission siting and permit streamlining, along with an attempt to direct the PUC to report back on their progress to improve rate design.

Ensuring sufficient supplies of reliable, competitively priced electricity remains the cornerstone of my energy policy. I look forward to working with the legislature to continue to bring clarity and consistency to California's energy policy in the coming months.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger

<b>AB 2311 (Jackson) – Energy Efficiency: Sustainable Buildings</b>
---

**Appropriation:** None

**Summary:** Would have required the Secretary for the State and Consumer Services Agency to facilitate the incorporation of sustainable building practices into the planning, operations, policymaking and regulatory functions of each state agency. The Secretary would have been required to report to the Governor, no later than July 1, 2005, to recommend a strategy for incorporating sustainable building practices into the development of state facilities.

**Energy Commission Fiscal Impact:** The fiscal impact would have consisted of staff analysis time to provide technical support to the Resources and State and Consumer Affairs Agencies. The Energy Commission provides technical advice to other state agencies with efficiency issues in the course of their work, and would have absorbed the cost.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code – Adds § 12815

**Governor's Veto Message Follows**

## Governor's Veto Message

To Members of the California State Assembly:

I am returning Assembly Bill 2311 without my signature.

In the beginning of my administration I directed Secretary Tamminen to establish a working group to develop green building bank initiatives for both public and private buildings. Members of the working group include public sector decision makers, commercial real estate business owners and managers, energy experts and financial managers. The group is currently developing recommendations for a comprehensive program to dramatically advance energy conservation as well as incorporate other green building principles into commercial buildings.

This bill is largely identical to an executive order passed in the prior administration. This order has not been rescinded and is still in effect. Since this bill would codify much of an existing executive order, it would not improve upon existing efforts to increase adoption of sustainable building practices in California.

For these reasons, I am unable to support this measure.

Sincerely,

Arnold Schwarzenegger



<b>AB 2593 (Calderon) – Self-Generation Incentive Program</b>
---

**Appropriation:** None

**Summary:** Would have authorized the Public Utilities Commission (PUC) to suspend for a year, the collection of the surcharge for the Self-Generation Incentive Program (SGIP) when it determined it had sufficient funds to meet the current year demand for incentives.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** The Energy Commission's role with the SGIP is one of coordination and certification only. For example, the Energy Commission coordinates its renewable energy incentive programs with the PUC SGIP by agreeing to fund solar energy systems up to 30 kW while the SGIP only funds solar energy systems above 30 kW. The Energy Commission also certifies whether the technology for which the incentive is requested is eligible for a higher or lower incentive.

**Sections Affected:** Public Utilities Code - Adds § 379.7

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of the California State Assembly:

I am returning Assembly Bill 2593 without my signature.

This bill is not necessary. The Public Utilities Commission (PUC) has been successfully administering the Self-Generation Incentive Program, offering financial incentives to utility customers that install new equipment to meet all or a portion of their facilities' electric energy needs. The PUC through Public Utilities Code Section 379.5, 379.6 and 701 grants authority to adjust that program. Therefore, this bill duplicates the PUC's existing authority.

The PUC already has the authority to rescind their collection of funds for the SGIP. Southern California Edison, the sponsor of this measure, is the only one of the investorowned utilities whose SGIP program is over-funded. For example, Pacific Gas & Electric Company has transferred over \$15 million into this fund to meet program demand. The issue here may be over collection or it may be program implementation, however this is an issue that the PUC can resolve. This bill would duplicate existing PUC authority.

Sincerely,

Arnold Schwarzenegger

<b>SB 920 (Bowen) – Electricity Oversight Board: Independent System Operator: Power Exchange</b>
--

**Appropriation:** None

**Summary:** Would have eliminated the Electricity Oversight Board (EOB) and declared the Legislature's intent to transfer the EOB's responsibilities and authority to the Attorney General (AG). Would have required the Governor to designate a successor agency for the EOB's non-litigation duties, including monitoring and investigating wholesale electricity markets, and for any litigation where the AG has a conflict. Would have repealed other obsolete provisions related to the CAISO and the California Power Exchange (CalPX), and made technical corrections to the co-generation statute.

**Energy Commission Fiscal Impact:** The PUC and the Energy Commission now split the EOB budget between them and would have been relieved of this fiscal responsibility. It is unclear what the fiscal impact would have been on the Attorney General's Office.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code - Amends § 352 and 372, adds § 345.3, repeals § 350, repeals Article 4 (commencing with Section 355) and Article 5 (commencing with Section 359), and repeals and adds Article 2 (commencing with Section 334) of Chapter 2.3 of Part 1.

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of the California State Senate:

I am returning Senate Bill 920 without my signature.

When I signed the Executive Order in February 2004 creating the California Performance Review, its mission was to make fundamental changes in state government, establish new procedures to create greater efficiencies, prioritize government functions, and create true accountability over the fiscal management of state resources. Energy administration consolidation and restructuring is a priority of my administration and we will pursue comprehensive reform in the next legislative session.

This bill would eliminate the Energy Oversight Board shifting the Board's responsibilities in a manner inconsistent with the recommendations presented by the California Performance Review and prior to completion of an energy reorganization plan. As proposed, this bill would complicate and compromise the administration's ability to integrate the State's fragmented energy functions and implement a comprehensive energy policy. Although I concur with the singular intent to abolish a non-essential board, SB 920 is premature.

Sincerely,

Arnold Schwarzenegger

<b>SB 1478 (Sher) – Renewable Energy Credits</b>
--

**Appropriation:** None

**Summary:** Would have advanced the deadline for achieving a 20 percent renewable portfolio from 2017 to 2010, authorized renewable energy credit (REC) trading, repealed provisions for the Customer Credit Program, included criteria for utility solicitations for renewable energy under the Renewable Portfolio Standard (RPS), clarified that publicly-owned utilities (POUs) must report their RPS progress to the Energy Commission annually, required the Energy Commission to report on how to increase POU RPS participation, clarified RPS participation for California electrical corporations that serve retail end-use customers both inside and outside California, corrected existing prevailing wage references for new and existing renewable projects and required consideration of carbon emissions in investor-owned utility (IOU) long-term and procurement plans.

**Energy Commission Fiscal Impact:** The Energy Commission is charged with implementing an RPS tracking system under SB 1078 (Sher), Chapter 516, Statutes of 2002, which allows for funding the appropriate staffing from the Renewable Energy Trust Fund. Staffing for this portion of RPS implementation had recently been authorized.

**Energy Commission Responsibilities:** Would have clarified that publicly-owned utilities must report to the Energy Commission on their RPS progress, and that the Energy Commission report on their progress and recommend incentives to increase their participation.

**Sections Affected:** Public Resources Code - Amends § 25740, 25743, 25744, and 25748, repeals § 25745 and 25749. Public Utilities Code – Amends § 387, 399.11, 399.12, 399.13, 399.14, 399.15, and 399.16, and adds § 399.1, and Article 9 (commencing with § 635) to Chapter 3 of Part 1 of Division 1.

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of the California State Senate:

I am returning Senate Bill 1478 without my signature.

Increasing California's commitment to renewable electricity is a cornerstone of my administration's energy and environmental action plans. My action plans outline my goal of accelerating the requirement that 20% of a utility energy portfolio be from renewable sources by 2010 and 33% be from renewable sources by 2020. The California Public Utility Commission (PUC) has acted directing the utilities to meet the accelerated date of compliance during their ongoing procurement planning process. Additionally, the PUC has also acted on my request to establish a loading order for electricity that has conservation and renewable energy sources ahead of traditional fossil fuel.

While I appreciate the author's intent to codify my action plan acceleration of the renewable energy portfolio standard, this bill has several omissions and establishes an onerous process that will impede the achievement of this goal. This bill omits municipal utilities which service almost 30% percent of the energy consumed in California from any renewable portfolio requirements. It also creates a renewable credit market that has several onerous restrictions. Finally, it fails to recognize California's commitment and reliance on an electricity market that includes the entire western region of the country.

I look forward to working with the legislature to continue to increase California's commitment to renewable energy. If codification of my action plan is desired, we should strive for legislation that results in a vibrant competitive renewable energy market and works to advance the 20% renewable energy goal by 2010 rather than impede the progress we have made.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger

<b>SB 1851 (Bowen) – State Buildings and Publicly Funded Schools: Standards</b>
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**Appropriation:** None

**Summary:** Would have required that all new state public buildings, (except for publicly-funded schools), for which design and construction begins after January 1, 2005, exceed the minimum efficiency standards in the California Building Standards Code, if cost-effective. After July 1, 2007, new state public buildings, state office buildings, and state public buildings under renovation would have had to exceed minimum building standards, and also include so-called green building measures. The Department of General Services (DGS) would have been responsible for enforcing all of these requirements. Finally, this bill would have encouraged rather than required, the University of California Regents to comply with this measure.

**Energy Commission Fiscal Impact:** There would have been a workload impact on the Energy Commission due to the requirement that both DGS and the Integrated Waste Management Board (IWMB) consult with the Energy Commission on numerous issues. The Energy Commission estimated .25 person-years for the first year to attend meetings and prepare analysis to develop the needed criteria. However, the Energy Commission believed these costs would have been absorbable.

**Energy Commission Responsibilities:** In consultation with the IWMB, DGS, the Air Resources Board, and the Department of Health Services, would have been required to promulgate regulations that prescribe specified green building measures that are appropriate and cost-effective for state office buildings.

**Sections Affected:** Government Code - Amends § 15814.31 and 15814.34, amends and repeals § 15814.30, and adds § 15814.30.2, 15814.30.5, and 15814.31.5.

**Governor's Veto Message Follows**

## Governor's Veto Message

To Members of the California State Senate:

I am returning Senate Bill 1851 without my signature.

This bill requires new state buildings to exceed current energy efficiency standards and be constructed and/or renovated to incorporate green building elements that are costeffective.

Early in my Administration, I directed Secretary Tamminen to establish a working group to develop green building bank initiatives for both public and private buildings. Members of the working group include public sector decision makers, commercial real estate business owners and managers, energy experts and financial managers. The group is currently developing recommendations for a comprehensive program to dramatically advance energy conservation as well as incorporate other green building principles into commercial buildings.

Additionally, this bill is similar to the executive order passed in the prior administration which directed all state agencies to improve energy efficiency in all state buildings. This order has not been rescinded and is still in effect. Since this bill would codify much of an existing executive order, it would not improve upon existing efforts to increase adoption of sustainable building practices in California.

Sincerely,

Arnold Schwarzenegger



## GENERAL ENERGY-RELATED BILLS

### 2004 Chaptered Legislation

Bill Number	Subject
AB 1068 (Liu) Chapter 624, Statutes of 2004	Petroleum Underground Storage Tanks: Loans and Grants
AB 1209 (Nakano) Chapter 8, Statutes of 2004	Public Agency Security: Confidential Information
AB 1394 (Levine) Chapter 627, Statutes of 2004	Petroleum Underground Storage Tanks: Loans and Grants
AB 1887 (Nakanishi) Chapter 72, Statutes of 2004	Motor Fuel: Signage
AB 2043 (Lowenthal) Chapter 942, Statutes of 2004	Maritime Port Strategic Master Plan Task Force
AB 2128 (Jackson) Chapter 703, Statutes of 2004	Air Pollution: Smog Check: Vehicle Retirement Incentive
AB 2303 (Leno) Chapter 759, Statutes of 2004	Public Utilities: Executive Bonuses
AB 2353 (Leslie) Chapter 422, Statutes of 2004	Neighborhood Electric Vehicles
AB 2509 (Nakanishi) Chapter 639, Statutes of 2004	Electric Microutilities
AB 2701 (Runner) Chapter 644, Statutes of 2004	Environmental Protection: Reports
AB 2830 (McCarthy) Chapter 433, Statutes of 2004 –	Natural Resources: Oil and Gas
AB 2869 (Levine) Chapter 646, Statutes of 2004	Local Publicly Owned Electric Utilities: Condemnation Process: Distribution Facilities

<b>Bill Number</b>	<b>Subject</b>
AB 2918 (Laird) Chapter 648, Statutes of 2004	Desalination Facilities
AB 2955 (McCarthy) Chapter 649, Statutes of 2004	Underground Storage Tanks: Leakage Detection: Grants
ACR 185 (McCarthy), Resolution Chapter 128, Statutes of 2004	Petroleum Highway
AJR 50 (Pavley), Resolution Chapter 99, Statutes of 2004	Fuel Cell Vehicles
AJR 72 (Frommer), Resolution Chapter 131, Statutes of 2004	Clean Air Act: Gasoline Oxygenate Additives
AJR 74 (Pavley), Resolution Chapter 113, Statutes of 2004	Hybrid Electric Vehicles
SB 18 (Burton) Chapter 905, Statutes of 2004	Traditional Tribal Cultural Places
SB 772 (Bowen) Chapter 46, Statutes of 2004	Public Utilities: Financing Utility Recovery
SB 1163 (Dunn) Chapter 727, Statutes of 2004	Utilities
SB 1201 (Torlakson) Chapter 613, Statutes of 2004	Electrical Restructuring: BART
SB 1488 (Bowen) Chapter 690, Statutes of 2004	Public Utilities Commission: Public Information
SB 1742 (McPherson) Chapter 796, Statutes of 2004	Oil Spills
SCA 1 (Burton) Resolution Chapter 1, Statutes of 2004	Access to Government Information

## **2004 Chaptered Legislation**

### **Bill Abstracts**

<b>AB 1068 (Liu), Chapter 624, Statutes of 2004 – Petroleum Underground Storage Tanks: Loans and Grants</b>
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**Effective:** September 21, 2004

**Appropriation:** None to the Energy Commission

**Summary:** Establishes the program which makes loans and grants to small businesses to undertake certain actions with respect to underground petroleum storage tanks within the State Water Resources Control Board. Reestablishes the Petroleum Underground Storage Tank Financing Account. Establishes a subaccount within the account. Transfers a certain amount of funds from the Underground Storage Tank Cleanup Fund to the account for expenditure for loans and grants.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds and repeals Chapter 6.76 (commencing with § 25299.100) of Division 20

<b>AB 1209 (Nakano), Chapter 8, Statutes of 2004 – Public Agency Security: Confidential Information</b>
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**Effective:** January 21, 2004

**Appropriation:** None

**Summary:** Modifies statutory authorization for state agencies to exempt documents from the California Public Records Act (PRA) on matters pertaining to potential terrorist or other criminal acts. Protects alarm or security company customer lists from disclosure to the public.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code – Amends § 6254

**AB 1394 (Levine), Chapter 627, Statutes of 2004 – Petroleum Underground Storage Tanks: Loans and Grants**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Expands the Carl Moyer Air Quality Standards Attainment Program to include heavy-duty fleet modernization projects that reduce emissions of NOx or particulate matter. Makes any project that replaces an old engine or vehicle with a new engine or vehicle that meets more stringent emission standards or provides the equivalent emission reductions of the replacement combined with the purchase of a specified new very-low or zero-emission vehicle, or fleet modernization project eligible for funding.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds Article 13 (commencing with § 44297) to Chapter 9 of Part 5 of Division 26.

**AB 1887 (Nakanishi), Chapter 72, Statutes of 2004 – Motor Fuel: Signage**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Regulates the placement of additional advertising matters on motor fuel signs inapplicable to electronic changeable message centers when the advertising content includes both the product offered for sale and its price in the single advertising message or when the product and price components of the advertising message clearly relate to one another and the price neither starts nor ends the message.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Business and Professions Code – Amends § 13534.

**AB 2043 (Lowenthal) Chapter 942, Statutes of 2004 – Maritime Port Strategic Master Plan Task Force**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires the California Marine and Intermodal Transportation System Advisory Council to hold public hearings, compile comprehensive data on port-related issues, and submit a report, no later than January 1, 2006, to the Legislature on its findings.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Harbors and Navigation Code – Adds § 1760

**AB 2128 (Jackson), Chapter 703, Statutes of 2004 – Air Pollution: Smog Check: Vehicle Retirement Incentive**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Allocates the revenues generated by \$4 of the annual smog abatement fee under the smog check program to the High Polluter Repair or Removal Account in the Vehicle Inspection and Repair Fund and the revenues generated by \$2 of the fee to the general Vehicle Inspection and Repair Fund.

**Energy Commission Fiscal Impact:** Unknown.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Amends § 44091.1.

**AB 2303 (Leno), Chapter 759, Statutes of 2004 – Public Utilities: Executive Bonuses**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires that any expense resulting from a bonus paid to an executive officer of a public utility that has ceased to pay its debts in the ordinary course of business, be borne by the shareholders of the public utility and prohibits such an expense from being recovered in rates. Requires the Public Utilities Commission to audit insolvent public utilities to ensure that these provisions are enforced. Exempts a bonus defined in a standard employee compensation contract.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Adds § 4451.5.

**AB 2353 (Leslie), Chapter 422, Statutes of 2004 – Neighborhood Electric Vehicles**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Authorizes the City of Lincoln and the City of Rocklin to adopt, by ordinance or resolution, a Neighborhood Electric Vehicle (NEV) transportation plan for a designated plan area, and to report on the effectiveness of the plan to the Legislature by January 1, 2008. The plan shall recommend whether to expand the program statewide.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Streets and Highways Code – Adds and repeals Chapter 7 (commencing with § 1963) of Division 2.5. Vehicle Code – amends § 385.5, 21250, 21251, and 21260

<b>AB 2509 (Nakanishi), Chapter 639, Statutes of 2004 – Electric Microutilities</b>
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**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Declares the Legislature's intent that the Public Utilities Commission (PUC) consider the costs imposed on a micrutility when participating in a PUC proceeding, before naming the micrutility as a respondent in a hearing generally applicable to investor-owned utilities (IOUs).

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code - Adds Chapter 5.5 (commencing with § 2780) to Part 2 of Division 1.

**AB 2701 (Runner), Chapter 644, Statutes of 2004 - Environmental Protection: Reports**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Establishes a process for converting reports and other documents that state agencies are required to develop and disseminate from paper to electronic means and compact discs, and eliminates various outdated reporting requirements and regulatory adoption requirements.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Food and Agricultural Code - Amends § 13144 and 13152, and repeals § 12847.5. Government Code - Amends § 9795, 12812.2, and 12812.5. Health and Safety Code - Amend § 901, 25178, 25244.11, 25295, 25299.81, 25395.32, 39604, 39607.5, 39619.5, 41712, 41865, 43101, 44011.6, 44100, 44104.5, 57007, and 115910, and repeals § 39702.5, 43032, and 59019. Penal Code - Amends § 14315. Public Resources Code - Amends § 42885.5 and 42889.4. and adds Chapter 4 (commencing with § 71069) to Part 2 of Division 34, and repeals § 42889.1. Public Utilities Code - Amends § 7672, 7711 and 7712. Water Code - Amends § 13191, 13292, 13369, and 13385, and repeals § 10782, 13192, 13198, and 13399.39. Chapter 435 of the Statutes of 1994 - Amends § 4 relating to environmental protection.

**AB 2830 (McCarthy), Chapter 433, Statutes of 2004 – Natural Resources: Oil and Gas**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Allows the State Department of Conservation (DOC) to find that the fact that an oil or gas well has been idle for 25 years and fails to meet specific requirements is conclusive evidence of desertion. Extends the sunset on DOC's authority to expend funds to plug and abandon orphan wells in California.

**Energy Commission Fiscal Impact:** Unknown.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code – Amends § 3237 and 3258.



**AB 2869 (Levine), Chapter 646, Statutes of 2004 – Local Publicly Owned Electric Utilities: Condemnation Process: Distribution Facilities**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Exempts specified customers of a utility from paying a cost responsibility surcharge (CRS) imposed on customers departing investor-owned utility (IOU) service for a local publicly owned electric utility (POU).

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code - Amends § 9601.

**AB 2918 (Laird), Chapter 648, Statutes of 2004 – Desalination Facilities**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires the Public Utilities Commission (PUC) to evaluate electricity and water policies as they pertain to desalination plants. Further, requires the PUC to submit a report to the Governor and Legislature by January 1, 2006, on the balance between the interests of electricity and water ratepayers.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** No Code Sections Affected.

**AB 2955 (McCarthy), Chapter 649, Statutes of 2004 – Underground Storage Tanks: Leakage Detection: Grants**

**Effective:** September 21, 2004

**Appropriation:** \$3,500,000 for the 2004-05 fiscal year, from the Underground Storage Tank Cleanup Fund to the Petroleum Underground Storage Tank Financing Account

**Summary:** Revises performance standards for hazardous substance underground storage tanks with regard to construction, operation and maintenance. Requires the Water Resources Control Board to provide grants from the Petroleum Underground Storage Tank Financing Account to help small businesses meet requirements for tank maintenance and testing. Requires equipment to meet certain requirements for enhanced vapor recovery systems at gasoline dispensing facilities.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code - Amends § 25290.1 and 25299.51, adds § 25290.1.1 and 25290.1.2, and adds Chapter 6.77 (commencing with § 25299.200) to Division 20.

**ACR 185 (McCarthy), Resolution Chapter 128, Statutes of 2004 – Petroleum Highway**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Designates a portion of State Highway 33 in Kern County as the Petroleum Highway.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** No Code Sections Affected.

**AJR 50 (Pavley), Resolution Chapter 99, Statutes of 2004 – Fuel Cell Vehicles**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requests the United State Department of Energy to recognize California's progress and commitment to accelerating the commercialization of hydrogen and fuel cell vehicles. Ensures that appropriate federal funding be provided to support those activities in California.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** No Code Sections Affected.

**AJR 72 (Frommer), Resolution Chapter 131, Statutes of 2004 – Clean Air Act: Gasoline Oxygenate Additives**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Memorializes the United States Environmental Protection Agency to take immediate action to review and reconsider California's request for an administrative waiver from the gasoline oxygenate additive requirements of the federal Clean Air Act in order to relieve gasoline consumers in California from record-breaking gasoline prices.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** No Code Sections Affected.

**AJR 74 (Pavley), Resolution Chapter 113, Statutes of 2004 – Hybrid Electric Vehicles**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Memorializes the President and Congress to take legislative action to allow single-occupant hybrid electric vehicles that achieve a fuel economy of at least 45 miles per gallon, and conform to any additional emissions category of the federal EPA or the Air Resources Board to travel in High Occupancy Vehicle Lanes.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** No Code Sections Affected.

**SB 18 (Burton), Chapter 905, Statutes of 2004 – Traditional Tribal Cultural Places**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Allows California Native American tribes to acquire conservation easements and would establish processes to ensure consultation with tribes as part of a local agency's general planning process.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Civil Code - Amends § 815.3. Government Code - Amends § 65040.2, 65092, 65351, 65352, and 65560, and adds § 65352.3, 65352.4, and 65562.5.

<b>SB 772 (Bowen), Chapter 46, Statutes of 2004 – Public Utilities: Financing Utility Recovery</b>
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**Effective:** June 7, 2004

**Appropriation:** None

**Summary:** Permits the Public Utilities Commission (PUC) to authorize the issuance of bonds secured by a dedicated rate component (DRC) to finance a portion of Pacific Gas & Electric's (PG&E) bankruptcy related debts under certain conditions.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Civil Code - Amends § 955.1 and 3440.1.  
Commercial Code - Amend § 9109. Public Utilities Code - Amends § 1731, adds and repeals § 1769, and adds Article 5.6 (commencing with § 848) to Chapter 4 of Part 1 of Division 1.

**SB 1163 (Dunn), Chapter 727, Statutes of 2004 – Utilities**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires the management of a mobilehome park, when the management provides master-meter and submeter service to a homeowner, to state the cost of the charges. Requires the management to make specified disclosures if a 3rd-party billing agent prepares utility billing for the park. Requires the Public Utilities Commission to accept and respond to complaints about the rates under a master-meter through the consumer affairs branch and any necessary staff.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Civil Code – Amends § 798.38. Public Utilities Code – Amends § 739.5

**SB 1201 (Torlakson), Chapter 613, Statutes of 2004 – Electrical Restructuring: BART**

**Effective:** September 21, 2004

**Appropriation:** None

**Summary:** Authorizes the San Francisco Bay Area Rapid Transit District (BART) to receive electric service from a publicly-owned electric utility (POU) under the same federal preference power terms as BART currently has under existing law.

**Energy Commission Fiscal Impact:** There would be no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code - Amends § 701.8.

**SB 1488 (Bowen), Chapter 690, Statutes of 2004 – Public Utilities Commission: Public Information**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Requires the Public Utilities Commission (PUC) to initiate a proceeding to review its practices under its electricity procurement proceeding and public disclosure rules.

**Energy Commission Fiscal Impact:** There would be no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Not applicable.

**SB 1742 (McPherson), Chapter 796, Statutes of 2004 – Oil Spills**

**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Revises and renames the Oil Spill Contingency Plan. Redefines marine waters and spills and discharge. Provides for use of volunteer works for wildlife rehabilitation and interstate agreements. Establishes harbor safety committees. Requires the administrator to conduct periodic reviews of the policies for the use of in situ burning with respect to oil spills. Requires the Environmental Enhancement Committee to establish a process for environmental enhancement projects to be funded.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code - Amends § 8574.1, 8574.7, 8574.8, 8574.10, 8670.3, 8670.5, 8670.7, 8670.8, 8670.8.5, 8670.9, 8670.10, 8670.13, 8670.13.2, 8670.14, 8670.18, 8670.19, 8670.21, 8670.23, 8670.23.1, 8670.24, 8670.25.5, 8670.26, 8670.27, 8670.28, 8670.29, 8670.31, 8670.35, 8670.36.1, 8670.37.5, 8670.41, 8670.48, 8670.50, 8670.56.5, 8670.56.6, 8670.61.5, 8670.71, and 8670.72. Adds § 8670.73, and repeals § 8670.36.5 and 8670.52. Harbors and Navigation Codes - Amends § 449.3 and 449.5. Public Resources Code – Amends § 8750. Water Code – Amends § 13272.

<b>SCA 1 (Burton), Resolution Chapter 1, Statutes of 2004 – Access to Government Information</b>
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**Effective:** January 1, 2005

**Appropriation:** None

**Summary:** Provides that the people have the right of access of information concerning the conduct of the people's business. Provides that the meetings of public bodies and writing of public officials and agencies shall be open to public scrutiny. Provides that any statute, court order of rule limiting such access must provide findings for such limitation. States these provisions do not supercede certain existing provisions relating to public access.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Not applicable.



## **GENERAL ENERGY-RELATED BILLS**

### **2004 Vetoed Legislation**

<b>Bill Number</b>	<b>Subject</b>
<b>AB 653 (Nuñez)</b>	<b>Energy Efficiency: Public Buildings</b>
<b>AB 2042 (Lowenthal)</b>	<b>Ports: Port of Los Angeles: Port of Long Beach: Air Pollution</b>
<b>AB 2644 (Oropeza)</b>	<b>Air Pollution: School Bus Idling and Idling at Schools</b>
<b>SB 1703 (Alarcón)</b>	<b>California Certified Green Business</b>

## **2004 Vetoed Legislation**

### **Bill Abstract**

<b>AB 653 (Nuñez) – Energy Efficiency: Public Buildings</b>
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**Appropriation:** None

**Summary:** Would have removed the State Public Works Board (SPWB) revenue bond authority's sunset date of January 1, 2005, to permanently fund energy efficiency projects for public buildings. Would have required the SPWB to evaluate projects proposed by the Department of General Services (DGS). Would have required the SPWB to evaluate each project in its entirety and use life-cycle cost analysis, and allows consideration of additional value added by product warranties associated with a proposed project.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code – Amends § 15814.15

## Governor's Veto Message

To the Members of the California State Assembly:

I am returning Assembly Bill 653 without my signature.

This bill repeals the January 1, 2005 sunset date of the Energy Efficiency Revenue Bond Program, making the authority to issue revenue bonds permanent. Although I strongly support energy efficiency, I am concerned that this program has not been working effectively over the last few years. I have been recently informed that bond sales from this program have been suspended due to technical flaws with the authorizing statute. Therefore, we should allow this program to sunset and craft another program that addresses these structural challenges.

For these reasons I cannot support this measure.

Sincerely,

Arnold Schwarzenegger

<b>AB 2042 (Lowenthal) – Ports: Port of Los Angeles: Port of Long Beach: Air Pollution</b>
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**Appropriation:** None

**Summary:** Would have required the South Coast Air Quality District to establish a baseline for air quality for the Ports of Los Angeles and Long Beach. Would have provided that the baseline would be based on data regarding emissions from oceangoing vessels, harbor craft, cargo handling equipment, rail locomotives and commercial motor vehicles. Would have required the district, the two ports and the Air Resources Board to develop and enter into a memorandum of understanding to implement emission control measures at those ports.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds § 40459.1, 40459.2, and 40459.3

**Governor's Veto Message Follows**

## Governor's Veto Message

To the Members of the California State Assembly:

I am returning Assembly Bill 2042 without my signature.

Improving the quality of our air is a priority of my Administration. Through the budget and other legislative efforts we have committed millions of dollars to clean air programs that are assured to make significant improvements in air quality. I urge the South Coast Air Quality Management District to ensure that port-affected communities will receive a greater than proportional share of funds for these pollution reduction incentive programs.

This bill establishes 2004 as a ceiling for air emissions from the Ports of Los Angeles and Long Beach. The bill requires the South Coast Air Quality Management District (SCAQMD), the Air Resources Board (ARB) and the Ports of Long Beach and Los Angeles, to develop a Memorandum of Agreement (MOA) implementing emission control measures for operations at the ports.

However, this bill will not reduce pollution in any way. We need to focus our scarce resources on substantive, prompt action that will make real progress toward our shared air quality goals. Ports and federally regulated sources of air pollution must do more to reduce emissions in order for California to meet its mandates and to reduce negative air impacts in the communities in which these facilities operate.

In order to improve air quality and protect the health of the residents, it is imperative that an innovative program including financial and regulatory incentives be developed and implemented to reduce air pollution from the ports. I am directing the California Environmental Protection Agency (CalEPA) and the ARB to work with the ports, the railroads, other goods movement facilities, local air districts, the U.S. Environmental Protection Agency (U.S. EPA) and local communities to develop such a program for our ports throughout the state. This program should build on the regulatory program already mapped out by the ARB and the U.S. EPA. As most of the pollution is generated by federally regulated sources, I urge the federal government to provide the necessary incentives and regulations that will result in early reduction of pollution from the ports and related goods movement.

Sincerely,

Arnold Schwarzenegger

<b>AB 2644 (Oropeza) – Air Pollution: School Bus Idling and Idling at Schools</b>
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**Appropriation:** None

**Summary:** Would have codified regulations adopted by the State Air Resources Board that establish toxic control measures to limit schoolbus idling and idling at schools, made any violation subject to civil and administrative penalties and specified the maximum civil penalty and specified violations that would also have been subject to criminal penalties.

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code – Amends § 3237 and 3258.

**Governor's Veto Message Follows**

## Governor's Veto Message

To the members of the California State Assembly:

I am returning Assembly Bill 2644 without my signature.

Improving the quality of our air is a priority of my administration. Through the budget and other legislative efforts we have committed millions of dollars towards clean air programs that are assured to make significant improvements in air quality, including upgrading our aging school bus fleet to new cleaner burning less polluting busses.

However, AB 2644 is duplicative of existing state regulations for idling school buses and is unnecessary. This bill will limit the California Air Resources Board's discretionary authority to modify the program. Future refinements, such as changes to reporting and training provisions and other substantive and nonsubstantive amendments would need to go thorough the legislative process and be approved by the Governor. This is an unnecessary level of micro-management that the states regulatory system is designed to address.

Sincerely,

Arnold Schwarzenegger

<b>SB 1703 (Alarcón) – California Certified Green Business</b>
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**Appropriation:** None

**Summary:** Would have established a voluntary California “certified green business” program for businesses that engage in environmentally beneficial operations, as specified, based on a Bay Area green business program

**Energy Commission Fiscal Impact:** There is no fiscal impact on the Energy Commission.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code - Adds Division 32 (commencing with § 60000).

**Governor’s Veto Message Follows**



## **Governor's Veto Message**

To the Members of the California State Senate:

I am returning Senate Bill 1703 without my signature.

Certified green business programs are a useful tool for consumers, businesses and government entities to promote environmentally responsible practices. These green certification programs have been increasing in numbers since 1996. This bill creates a "California certified" green business program for businesses that comply with specified criteria and checklists adopted by California State University (CSU) Hayward's Environmental Finance Center.

This bill creates one-size-fits all approach to green business programs and does not give local governments the flexibility to respond to the needs of businesses in their community. This bill impedes the ability of existing local green business programs that operate independently to acquire grant funding. Several successful green business programs are already in place on a voluntary basis and operate without government involvement or assistance.

For these reasons I cannot support this measure.

Sincerely,

Arnold Schwarzenegger